

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

400J0359

HOUSE COMMERCE COMMITTEE ENGROSSED NO. **HB 1050** - 01/22/2004

Introduced by: The Committee on Commerce at the request of the Department of Revenue
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain standards for insurance producers licensure
2 and to prohibit insurance producers from influencing certain witnesses.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-30-167 be amended to read as follows:

5 58-30-167. The director may suspend for not more than twelve months, or may revoke or
6 refuse to continue, any license issued under this chapter; or any license of a surplus lines broker
7 after a hearing. Notice of such hearing and of the charges against the licensee shall be given to
8 the licensee and to the insurers represented by such licensee or to the appointing agent of a
9 producer at least twenty days before the hearing. The director may suspend, revoke, or refuse
10 to issue or renew an insurance producer's license or may accept a monetary penalty in
11 accordance with § 58-4-28.1 or any combination thereof, for any one or more of the following
12 causes:

13 (1) Providing incorrect, misleading, incomplete, or materially untrue information in the
14 license application;

15 (2) Violating any insurance laws or rules, subpoena, or order of the director or of another



1 state's insurance director, commissioner, or superintendent;

2 (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;

3 (4) Withholding, misappropriating, or converting any monies or properties received in
4 the course of doing insurance business;

5 (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract
6 or application for insurance;

7 (6) Having been convicted of a felony;

8 (7) Having admitted or been found to have committed any insurance unfair trade practice
9 or fraud;

10 (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence,
11 untrustworthiness, or financial irresponsibility in the conduct of business in this state
12 or elsewhere;

13 (9) Having an insurance producer license, or its equivalent, denied, suspended, or
14 revoked in any other state, province, district, or territory;

15 (10) Forging another's name to an application for insurance or to any document related to
16 an insurance transaction;

17 (11) Using notes or any other reference material to complete an examination for an
18 insurance license;

19 (12) Knowingly accepting insurance business from an individual who sells, solicits, or
20 negotiates insurance and is not licensed; ~~or~~

21 (13) Failing to comply with an administrative or court order imposing a child support
22 obligation; or

23 (14) Not trustworthy or not of good character as to morals or integrity.

24 Section 2. That chapter 58-30 be amended by adding thereto a NEW SECTION to read as

1 follows:

2 No insurance producer may, directly or indirectly, attempt to influence a witness to decline
3 to testify or to testify falsely or withhold any testimony, information, document, or thing in any
4 matter before the division.